

HERO LEASING, LIMITED PARTNERSHIP
WORLD FINANCIAL CENTER
NORTH TOWER - 27TH FLOOR
250 VESEY STREET
NEW YORK, NEW YORK 10281-1327

February 24, 1994

BY HAND

Office of the Secretary
Interstate Commerce Commission
Room 2310
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

RECORDATION NO.

18716

FILED 1424

00123041

FEB 24 1994 - 11 50 AM

18.00

INTERSTATE COMMERCE COMMISSION

Dear Secretary:

Enclosed please find two (2) executed and acknowledged originals of a Security Agreement dated as of February 1, 1994 to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The Security Agreement is a secondary document, as defined in 40 CFR 1177.1(b), and relates to a Lease Agreement, a primary document, dated as of February 1, 1994 between Hero Leasing, Limited Partnership, as lessor (the "Lessor") and Commonwealth Edison Company, as lessee (the "Lease"), which is being filed concurrently with the Interstate Commerce Commission ("ICC").

We request that the Security Agreement also be indexed under the name of Commonwealth Edison Company.

The names and addresses of the parties to the enclosed Security Agreement are as follows:

Debtor: Hero Leasing, Limited Partnership
c/o ML Leasing Equipment Corp.
World Financial Center
North Tower
250 Vesey Street
New York, New York 10281

Collateral Agent
for Secured Parties: Toronto Dominion (Texas), Inc.
909 Fannin/17th Floor
Houston, Texas 77010

The Security Agreement grants a security interest in, and a lien upon, all of the Lessor's right, title and interest in, to and under the Lease, under which Lease railroad equipment having the following description is leased:

One hundred thirty (130) new 121-ton, aluminum-sided, rotary dump gondola "coalporter" cars bearing identification marks and numbers CWEX 2554, 2556-2677, inclusive, 2679-2685, inclusive, A.A.R. car type J312, and any other railroad equipment hereafter acquired by the Lessor covered by the Lease intended for use related to interstate commerce.

We enclose the fee of \$18.00 for recordation. Please file-stamp each Security Agreement and the extra copy of this transmittal letter furnished herewith, and return the extra copy of this letter and any original copies of the Security Agreement not needed by the ICC for recordation to the bearer of this letter.


A short summary of the Security Agreement to appear in the index follows:

Security Agreement between Hero Leasing, Limited Partnership, as debtor (the "Debtor"), c/o ML Leasing Equipment Corp., World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281 and Toronto Dominion (Texas), Inc., as collateral agent, 909 Fannin/17th Floor, Houston, Texas 77010, dated as of February 1, 1994, and granting a security interest in, and a lien upon, all of the Debtor's right, title and interest in, to and under a Lease Agreement dated as of February 1, 1994, between Debtor, as lessor, and Commonwealth Edison Company, as lessee (the "Lease"), covering 130 121-ton aluminum-sided, rotary dump gondola "coalporter" cars bearing identification marks and numbers CWEX 2554, 2556-2677, inclusive, 2679-2685, inclusive, A.A.R. car type J312, and any other railroad equipment hereafter acquired by the Debtor covered by the Lease intended for use related to interstate commerce.

Very truly yours,

HERO LEASING, LIMITED PARTNERSHIP

By Hero Capital, Inc.,
its General Partner

By: 
Name: Thomas J. Coughlin
Title: Chairman of the Board
and President

Enclosures

18716 B
RECORDATION NO. FILED 1425

FACILITY #1

FEB 24 1994 -11 50 AM

INTERSTATE COMMERCE COMMISSION
SECURITY AGREEMENT

SECURITY AGREEMENT dated as of February 1, 1994 between HERO LEASING, LIMITED PARTNERSHIP, a Delaware limited partnership (the "Company"), and TORONTO DOMINION (TEXAS), INC. (the "Collateral Agent"), as collateral agent for (i) the banks that are parties to the Credit Agreement referred to below (the "Facility #1 Banks"), (ii) the banks that are parties to the Loan Agreement referred to below (the "Facility #2 Banks"), (iii) itself, as agent under the Credit Agreement for the Banks (in such capacity, the "Facility #1 Agent") and (iv) itself, as agent for the Facility #2 Banks (in such capacity, the "Facility #2 Agent").

W I T N E S S E T H:

WHEREAS, the Company, the Facility #1 Banks and the Facility #1 Agent have entered into a Credit Agreement, dated as of February 1, 1994 (hereinafter, as the same may from time to time be amended, modified, supplemented or extended, referred to as the "Facility #1 Credit Agreement"); and

WHEREAS, Blackpoint Partners, Limited Partnership, a Delaware limited partnership which is a limited partner of the Company (the "Borrower Limited Partner"), the Facility #2 Banks and the Facility #2 Agent have entered into a Loan Agreement, dated as of February 1, 1994 (hereinafter, as the same may from time to time be amended, modified, supplemented or extended, referred to as the "Facility #2 Loan Agreement");

WHEREAS, the Company is willing to secure amounts owing under the Facility #1 Credit Agreement and Facility #2 Loan Agreement as provided herein;

NOW, THEREFORE, in consideration of the foregoing, the Company hereby agrees with the Collateral Agent, for the ratable benefit of the Facility #1 Banks, the Facility #1 Agent, the Facility #2 Banks and the Facility #2 Agent (collectively, the "Secured Parties"), as follows:

SECTION 1. Definitions. Unless otherwise indicated, capitalized terms used herein and not defined herein shall have the respective meanings given to them in the Facility #1 Credit Agreement.

SECTION 2. Grant of Security. The Company hereby assigns, pledges, transfers and grants to the Collateral Agent, for

the ratable benefit of the Secured Parties, a continuing security interest in, and a lien upon, all of the Company's right, title and interest in, to and under, the following:

(a) The Master Lease including, without limitation, (i) the full amount of each installment of Basic Rent (as such term is defined in such Master Lease) and all other amounts which the Company may be entitled to receive pursuant to Sections 7 and 11 of the Master Lease; (ii) all other amounts payable to the Company by the Lessee under the Master Lease, including, without limitation, all damages and other amounts payable by the Lessee to the Company in the event of any expiration or termination of the Master Lease or by operation of law or otherwise or consequent on any failure on the part of the Lessee to perform or comply with any term of the Master Lease; and (iii) all rights, claims, powers, privileges and remedies of the Company, whether arising by contract or at law or in equity or otherwise under the Master Lease;

(b) The Collateral Account and any other special purpose account of the Company established pursuant to Section 4.07 of the Facility #1 Credit Agreement and all monies, credit balances and certificates, instruments and other documents evidencing Permitted Investments from time to time held in the Collateral Account or such other account; and

(c) Any and all proceeds of any of the foregoing.

The property referred to and described in (a), (b) and (c) of this Section 2 is hereinafter collectively referred to as the "Collateral". The Company shall also cause the Manager to deliver to the Collateral Agent the letter agreements (the "Shortfall Agreements") referred to in Section 5.01(b) of the Credit Agreement. The Collateral Agent shall hold the Shortfall Agreements on behalf of the Secured Parties hereunder.

SECTION 3. Security for Obligations. This Security Agreement secures the payment of all obligations and liabilities now or hereafter existing of (i) the Company to the Facility #1 Banks or the Facility #1 Agent under the Facility #1 Credit Agreement and the Related Documents referred to therein and (ii) the Borrower Limited Partner to the Facility #2 Banks or the Facility #2 Agent under the Facility #2 Loan Agreement and the related documents referred to therein, in each case whether in respect of principal, interest, fees, expenses or otherwise, without priority or distinction between the obligations or liabilities referred to in clauses (i) and (ii) (all such obligations and liabilities being hereinafter collectively referred to as the "Secured Obligations").

SECTION 4. Further Assurances; Affirmative Covenants.

(a) The Company agrees that from time to time, at its own cost and expense, the Company will promptly execute and deliver and will cause to be executed and delivered all further instruments

and documents, including, without limitation, financing and continuation statements, and will take all further action and will cause all further action to be taken, that the Collateral Agent may reasonably request in order to create, preserve, perfect and protect the security interest in the Collateral or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder or to preserve, perfect and protect the Company's right, title and interest in and to its Assets. Without limiting the generality of the foregoing, the Company will, on or before each date on which any Railcars (as such term is defined in the Master Lease) are leased under the Master Lease, ensure that this Security Agreement is filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 in respect of such Railcars.

(b) The Company hereby authorizes the Collateral Agent to file one or more financing or continuation statements, and amendments thereto, and take all such further action and execute all such further documents and instruments as may be necessary or desirable in order to create, preserve, perfect and protect the security interest in the Collateral without the signature of the Company where permitted by law. Whenever applicable law requires the signature of the Company on a document to be filed to preserve, perfect or protect the security interest in the Collateral, the Company hereby appoints the Collateral Agent as the Company's attorney-in-fact, with full power of substitution, to sign the Company's name on any such document.

(c) The Company shall deliver to the Collateral Agent the duly executed counterpart number 1 of the Master Lease after the execution and delivery thereof, which counterpart at all times shall be retained in the custody and possession of the Collateral Agent. In addition, the Company shall deliver to the Collateral Agent the duly executed counterpart number 1 of each amendment, modification, supplement or waiver made of or to the Master Lease immediately after the execution and delivery thereof.

(d) The Company will at all times keep accurate and complete books and records with respect to the Collateral and agrees that the Collateral Agent or its representative shall have the right at any time and from time to time to call at the Company's place of business during normal business hours to inspect and examine the books and records of the Company relating to the Collateral and to make extracts therefrom and copies thereof.

SECTION 5. Collateral Agent Appointed Attorney-in-Fact. The Company hereby irrevocably appoints the Collateral Agent the Company's attorney-in-fact, with full authority in the place and stead of the Company and in the name of the Company or otherwise, from time to time after the occurrence and during the continuation of an event of default as defined in the Facility #1 Credit Agreement or an event of default as defined in the Facility #2 Loan Agreement, to take any action, to execute any instruments and to exercise any rights, privileges, options, elections or powers of the Company pertaining or relating to the Collateral

which the Collateral Agent may deem necessary or desirable to preserve and enforce its security interest in the Collateral and otherwise to accomplish the purposes of this Security Agreement. The Collateral Agent shall not have any duty to take any such action, to execute any such instrument, to exercise any such rights, privileges, options, including, without limitation, termination options, elections or powers or to sell or otherwise to realize upon any of the Collateral, as hereinafter authorized, and the Collateral Agent shall not be responsible for any failure to do so or delay in so doing.

SECTION 6. Collateral Agent May Perform. If the Company fails to perform any agreement contained herein, the Collateral Agent may (but shall not be obligated to) itself perform, or cause performance of, such agreement. The Company shall reimburse the Collateral Agent on demand for any amounts paid or any expenses incurred by the Collateral Agent in good faith in connection therewith.

SECTION 7. Collateral Agent's Duties. The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Collateral and the Shortfall Agreements for the benefit of the Secured Parties and shall not impose any duty upon it to exercise any such powers. Except as expressly provided herein, the Collateral Agent shall have no duty to take any steps to preserve the security interest granted hereby.

SECTION 8. Realization upon Collateral. If an event of default as defined in the Facility #1 Credit Agreement or an event of default as defined in Facility #2 Loan Agreement shall occur and be continuing, the Collateral Agent may, and at the request of the Majority Banks shall, subject to Section 17 hereof, (i) take any and all action necessary or appropriate to collect any and all amounts payable under or with respect to the Collateral, (ii) apply any and all amounts in the Collateral Account to the Secured Obligations, (iii) take possession of the Collateral forthwith or at any time thereafter, in which case the Company shall marshal and deliver the Collateral to the Collateral Agent at such time and place as the Collateral Agent may reasonably specify, and (iv) sell the whole or, from time to time, any part of the Collateral, by private or public sale, in such order or otherwise in such manner as the Majority Banks may elect in their sole discretion. The Collateral Agent shall have, with respect to the Collateral, in addition to any other rights and remedies which may be available to it at law or in equity or pursuant to this Security Agreement or any other contract or agreement, all rights and remedies of a secured party under any applicable version of the Uniform Commercial Code of the relevant jurisdictions relating to the Collateral, and it is expressly agreed that if the Collateral Agent should proceed to dispose of or utilize the Collateral, or any part thereof, in accordance with the provisions of said versions of the Uniform Commercial Code, ten days' notice by the Collateral Agent to the Company shall be deemed to be reasonable notice under any such provision requiring such notice. Any sale of

Collateral by the Collateral Agent may be made on such terms as the Majority Banks may specify, without assuming any credit risk and without any obligation to advertise or give notice of any kind other than that necessary under applicable law. The Collateral Agent and the Secured Parties shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private or public sale. The Company hereby waives, to the extent permitted by applicable law, any claims against the Collateral Agent and the Secured Parties arising by reason of the fact that the price at which Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one possible purchaser. In exercising its rights under this Section 8, the Collateral Agent will act in a commercially reasonable manner.

SECTION 9. Application of Proceeds. The Collateral Agent shall apply the proceeds of any realization upon or sale of the whole or any part of the Collateral and the Shortfall Agreements, after deducting all reasonable costs and expenses of collection, retaking, handling, storage, preparation, sale and delivery (including, without limitation, reasonable counsel's fees and expenses) incurred by it in connection with such realization or sale, to the payment of the Secured Obligations pro rata according to the respective amounts thereof owing to each holder thereof, and the Company shall remain in all respects liable to the Collateral Agent, the Facility #1 Banks and the Facility #1 Agent for any unrecovered balance owing to them, and the Borrower Limited Partner shall remain in all respects liable to the Facility #2 Banks and the Facility #2 Agent for any unrecovered balance owing to them.

SECTION 10. Waiver of Stays, etc. To the full extent that the Company may lawfully so agree, the Company agrees that it will not at any time plead, claim or take the benefit of any appraisement, valuation, stay, extension, moratorium or redemption law now or hereafter in force to prevent or delay the enforcement of this Security Agreement or the absolute sale of any portion of or all of the Collateral or the possession thereof by any purchaser at any sale under this Security Agreement, and the Company, for itself and all who may claim under the Company, as far as the Company now or hereafter lawfully may do so, hereby waives the benefit of all such laws.

SECTION 11. Amendments, etc. No amendment, modification or waiver of any provision of this Security Agreement, nor consent to any departure by the Company therefrom, shall in any event be effective unless the same shall be in writing and signed by the Collateral Agent with the consent of the Majority Banks, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 12. Notices. Unless otherwise specified herein, all notices, requests and other communications to any party

hereunder shall be in writing (including telex, telecopier or similar writing) and shall be given to such party at its address or telex or telecopier number set forth below or such other address or telex or telecopier number as such party may hereafter specify by notice to the other party. Each such notice, request or other communication shall be effective (i) if given by telex, when such telex is transmitted to the telex number specified in this Section 12 and the appropriate answerback is received, (ii) if given by telecopier or other form of facsimile transmission, when the recipient confirms legible transmission thereof, or (iii) if given by any other means, when delivered at the address specified in this Section:

(a) If to the Company:

Hero Leasing, Limited Partnership
c/o Hero Capital, Inc.
c/o ML Leasing Equipment Corp. -
Project and Lease Finance Group
World Financial Center
North Tower - 27th Floor
250 Vesey Street
New York, New York 10281-1327
Attention: Jean Tomaselli
Telex: 177121
Answerback: MERSEC
Telecopier: (212) 449-3875
Telephone: (212) 449-8419

With a copy of each such notice to be simultaneously given, delivered or served to the following address:

ML Leasing Equipment Corp.
Controller's Office
World Financial Center
South Tower - 8th Floor
New York, New York 10080-6108
Attention: Marty McInerney
Telephone: (212) 236-7200
Telecopier: (212) 236-7584

With a copy to: General Counsel

(b) If to the Collateral Agent:

Toronto Dominion (Texas), Inc.
909 Fannin / 17th Floor
Houston, Texas 77010
Attention: Manager, Credit Administration
Telecopier: (713) 951-9921
Telephone: (713) 653-8231

SECTION 13. Continuing Security Interest. This Security Agreement shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until the later of (i) the termination of the Commitments under the Facility #1 Credit Agreement and the commitments under Facility #2 Loan Agreement or (ii) the payment in full of the Secured Obligations, (b) be binding upon the Company and its successors and assigns and (c) inure to the benefit of the Collateral Agent, the Facility #1 Banks, the Facility #1 Agent, the Facility #2 Banks and the Facility #2 Agent and their respective successors, transferees and assigns. Upon the later of (i) the termination of the Commitments under the Facility #1 Credit Agreement and the commitments under the Facility #2 Loan Agreement or (ii) the payment in full of the Secured Obligations, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to the Company. Upon any such termination, the Collateral Agent will deliver to the Company counterpart #1 of the Master Lease and any amendments or supplements thereto held by the Collateral Agent and will, at the expense of the Company, execute and deliver to the Company such other documents as the Company shall reasonably request to evidence such termination.

SECTION 14. No Waiver; Cumulative Remedies. No failure on the part of the Collateral Agent to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy by the Collateral Agent preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All rights, powers and remedies hereunder are cumulative and are not exclusive of any other rights, powers and remedies provided by law.

SECTION 15. Obligations Under the Master Lease. Anything herein contained to the contrary notwithstanding, (i) the Company shall remain liable under the Master Lease to perform all of its obligations and agreements thereunder, (ii) if an Event of Default shall occur and be continuing, the obligations of the Company under the Master Lease may be performed by the Collateral Agent or its nominee or other assignee of the Collateral Agent without releasing the Company therefrom and (iii) neither the Collateral Agent nor the Secured Parties shall have any obligation or liability under the Master Lease by reason of, or arising out of, this Security Agreement or be obligated to perform any of the obligations or agreements of the Company thereunder or to make any payment or to make any inquiry of the sufficiency of any payment received by the Company or the Collateral Agent or to present or file any claim or to take any other action to enforce any right, title or interest assigned hereunder.

SECTION 16. Responsibility of the Collateral Agent.

(a) By accepting the benefits hereof, each Secured Party hereby irrevocably designates and appoints, subject to Section 16(e) hereof, the Collateral Agent as Collateral Agent under this

Security Agreement, to take such action on its behalf under the provisions of this Security Agreement and to exercise such powers and perform such duties as are expressly delegated to such Collateral Agent by the terms of this Security Agreement, together with such other powers as are reasonably incidental thereto.

(b) By accepting the benefits hereof, each Secured Party agrees that (i) neither the Collateral Agent, nor any of its directors, officers or employees or agents shall be liable for any action taken or omitted to be taken by them hereunder, except for their own gross negligence or willful misconduct, (ii) the Collateral Agent shall not be responsible to the Secured Parties for any statements, warranties or representations herein or in the Facility #2 Loan Agreement or the related documents referred to therein, the Facility #1 Credit Agreement, the Related Documents or any other documents contemplated thereby, (collectively, the "Financing Documents") or the value, condition, priority, ownership or sufficiency of the Collateral or the legality, validity or enforceability of any of the Financing Documents, nor shall the Collateral Agent be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements provided for in the Financing Documents, (iii) the Collateral Agent shall not have any obligation to determine whether there has occurred any event of default or potential event of default, under any Financing Documents, and the Collateral Agent shall not be charged with knowledge of the happening of any event of default or potential event of default unless it shall have been notified thereof in writing by the Company or a Secured Party, and (iv) the Collateral Agent shall be entitled to rely upon any notice, consent, certificate, statement or other document believed by it to be genuine and correct and to have been signed and sent by the proper person or persons and, in respect of legal matters, upon the opinion of counsel selected by it. The Collateral Agent may seek instructions from the Majority Banks as to the exercise of its rights, powers and remedies. If the Collateral Agent shall be instructed by the Majority Banks to take any action hereunder, the Collateral Agent may, before taking such action, require that the Majority Banks indemnify the Collateral Agent, in a manner reasonably satisfactory to the Collateral Agent, for any liability which the Collateral Agent may incur in taking such action.

(c) Nothing in this Security Agreement, expressed or implied, is intended to or shall be so construed as to impose upon the Collateral Agent any obligations in respect of this Security Agreement or any Collateral except as expressly set forth herein or therein. With respect to the credit extended by it, the Collateral Agent shall have the same rights and powers under the Financing Documents as any other Secured Party and may exercise the same as though it were not the Collateral Agent, and the Collateral Agent and its affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Company and the Lessee as if it were not the Collateral Agent.

(d) The Secured Parties shall indemnify the Collateral Agent (to the extent not reimbursed by the Company, but without limiting the obligations of the Company) ratably in accordance with their respective interests in the Collateral, for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Collateral Agent in any way relating to or arising out of this Security Agreement or any other documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or the enforcement of any of the terms hereof or of any such other documents, provided that no Secured Party shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the Collateral Agent.

(e) The Collateral Agent may resign (effective upon appointment of a successor) at any time by giving written notice thereof to the Secured Parties and the Company. Upon any such resignation, the Majority Banks shall within 30 days after the Collateral Agent shall have given notice of its resignation, appoint a successor to the Collateral Agent, which decision of the Majority Banks shall be binding upon all of the Secured Parties. So long as no Event of Default has occurred and is continuing, any successor Collateral Agent which is not a Bank or an affiliate of a Bank must be approved by the Company, which approval shall not be unreasonably withheld. Upon the acceptance of any appointment as Collateral Agent hereunder by a successor Collateral Agent, such successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent, and the retiring Collateral Agent shall be discharged from its duties and obligations hereunder. After any retiring Collateral Agent's resignation hereunder as Collateral Agent, the provisions of this Security Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Collateral Agent under this Security Agreement.

SECTION 17. No Action Contrary to Lessee's Rights under the Master Lease. So long as no Event of Default (as defined in the Master Lease) has occurred and is continuing under the Master Lease and subject to the terms and conditions of the Master Lease, the Collateral Agent hereby acknowledges the right of the Lessee to possess and use the Equipment leased under the Master Lease without interference from the Collateral Agent; provided, however, that nothing contained herein shall limit any rights the Facility #1 Banks, the Facility #1 Agent, or the Collateral Agent may have against the Lessor pursuant to the Facility #1 Credit Agreement or any of the Related Documents to which it is a party.

SECTION 18. GOVERNING LAW; WAIVER OF JURY TRIAL; SEVERABILITY. THIS SECURITY AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. THE PARTIES HERETO KNOWINGLY, VOLUNTARILY AND EXPRESSLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ENFORCING OR DEFENDING ANY RIGHTS ARISING OUT OF OR RELATING TO

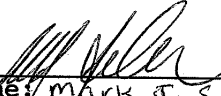
THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE COMPANY ACKNOWLEDGES THAT THE PROVISIONS OF THIS SECTION 18 HAVE BEEN BARGAINED FOR AND THAT IT HAS BEEN REPRESENTED BY COUNSEL IN CONNECTION THEREWITH. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 19. No Recourse. The Company's obligations hereunder are intended to be the obligations of the Company and the General Partner only, and accordingly, no recourse for the payment of any amount due under this Security Agreement, or for any claim based thereon or otherwise in respect thereof, shall be had against any limited partner of the Company or any incorporator, partner, shareholder, officer or director, or affiliate, as such, past, present or future, of the General Partner or any such limited partner or of any successor corporation to the General Partner or to any such limited partner, or against any direct or indirect parent corporation of the General Partner or any such limited partner or any other subsidiary or affiliate of any such direct or indirect parent corporation or any incorporator, shareholder, officer or director, as such, past, present or future, of any such parent or other subsidiary or affiliate, it being understood that the Company and the General Partner are a special purpose limited partnership and special purpose corporation, respectively, formed for the purpose of the transactions involved in and contemplated by the Facility #1 Credit Agreement and the Master Lease on the express understanding aforesaid. Nothing contained in this Section 19 shall be construed to limit the exercise or enforcement, in accordance with the terms of this Security Agreement and the other documents referred to herein, of rights and remedies against the Company or the assets of the Company, the General Partner or the assets of the General Partner or against the Lessee, or any other Person expressly undertaking obligations in connection with the transaction contemplated thereby.

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed and delivered as of the date first above written.

HERO LEASING, LIMITED PARTNERSHIP

By: Hero Capital, Inc.
General Partner

By: 
Name: Mark J. Schroeder
Title: Vice President and Assistant Secretary

TORONTO DOMINION (TEXAS), INC.,
as Collateral Agent

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed and delivered as of the date first above written.

HERO LEASING, LIMITED PARTNERSHIP

By: Hero Capital, Inc.
General Partner

By: _____
Name:
Title:

TORONTO DOMINION (TEXAS), INC.,
as Collateral Agent

By: CA Claus
Name: Carol A. Claus
Title: V.P.

State of New York)
) ss.:
County of New York)

On this 1st day of February, 1994, before me personally appeared Mark J. Schroeder, to me personally known, who, being by me duly sworn, says that he resides at New York, New York, that he is the Vice President and Assistant Secretary of Hero Capital, Inc., the general partner of Hero Leasing, Limited Partnership, that the seal affixed to the foregoing instrument is the corporate seal of said general partner, that said instrument was signed and sealed on behalf of Hero Leasing, Limited Partnership, by said general partner by the authority of said general partner's Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said general partner on behalf of Hero Leasing, Limited Partnership.

[SEAL]

Maura Feeney
Notary Public

My Commission Expires:

MOIRA FEENEY
Notary Public, State of N.Y.
No. 24-4591961
Qualified in Kings Co.
Commission Expires 2-18-94

State of Texas)
) ss.:
County of Harris)

On this 1st day of February, 1994, before me personally appeared Carole A. Clause, to me personally known, who, being by me duly sworn, says that she resides at Houston, Texas, that she is the Vice President of Toronto Dominion (Texas), Inc., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]

B. Darlene Day
Notary Public

My Commission Expires:

